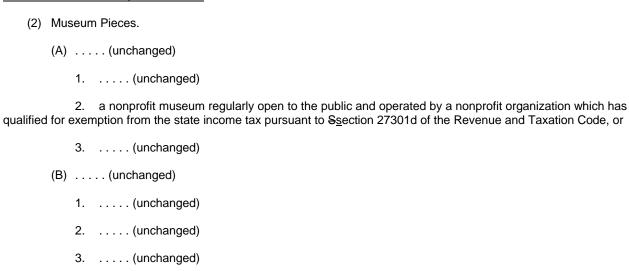
Amend Regulation 1586 (Works of Art and Museum Pieces for Public Display) to read as follows:

1586. Works of Art and Museum Pieces for Public Display.

(a)	a) General.									
	(1)	Original Work of Art (unchanged)								
	(2)	Museum Pieces (unchanged)								
(b)	Def	nitions.								
	(1)	(unchanged)								
		(A) (unchanged)								
<u>ado</u>	rnme	(B) crafts, e.g., crafts in clay, textile, fiber, wood, metal, plastic, glass, <u>costume, dress, clothing, personal nt,</u> and like materials, or								
		(C) (unchanged)								
	(2)	(unchanged)								
		(A) (unchanged)								
		(B) (unchanged)								
		(C) (unchanged)								
(c)	App	ication of Tax.								
	(1)	Original Works of Art.								
		(A) Tax does not apply to the sale or use of original works of art which are purchased by:								
this	state	1. <u>purchased by this state</u> , or any city, county, city and county, or other local governmental entity in ;								
gov	ernm	2. <u>purchased by any nonprofit organization which operates a public museum under contract for such ental entity;</u>								
eith S se	er o	3. <u>purchased by any nonprofit organization qualifying for exemption from state income tax pursuant to 23701d of the Revenue and Taxation Code.</u> The works of art must be purchased for display in a museum perated by the purchaser or by another nonprofit organization which qualifies for exemption pursuant to 23701d. The museum in which the art is displayed must be open to the public regularly for not less than 20 reweek and for not less than 35 weeks of the calendar year; or								
by t tran	he r sfer	4. <u>purchased by any person</u> for donation to the above governmental entities or nonprofit tions. To qualify for exemption from the tax under this subparagraph, donated works of art must be delivered etailer of the art directly to the donee pursuant to the instructions of the buyer-donor. Written evidence of of title to the works of art from the buyer-donor to the donee must be maintained by the retailer and the buyer-support the exemption. or								
		5. operative January 1, 2007, leased from one nonprofit organization to another nonprofit organization ars or more, if both lessor and lessee are nonprofit organizations as defined in subdivisions (c)(1)(A)(2) and (3) of this regulation.								
pur	chas	(B) The exemption provided by paragraphsubdivision (c)(1)(A) applies only to original works of art which are ad or leased to become part of the permanent collection of any of the following:								
		1 (unchanged)								
		2 (unchanged)								

Amend Regulation 1586 (Works of Art and Museum Pieces for Public Display) to read as follows:

3.	Ooperative	January 1,	1988, thi	s state	and any	/ city,	county,	city and	county,	or ot	her lo	cal
governmental en	itity in this sta	te for display	y to the pu	ıblic in b	uildings,	parks,	plazas,	or other p	places wh	ich ar	e open	to
the public withou	it charge for n	ot less than	20 hours p	er weel	k and for i	not les	s than 3	5 weeks	of the cale	endar	year.	
Operative Janua	ry 1, 2007, "p	ermanent co	ollection" a	as it app	lies to lea	ases o	f origina	I works o	f art, mea	ans a	collect	on
with a lease term	of 35 years	or more.					-					



NOTE: Authority cited: Section 7051, Revenue and Taxation Code.

(d) Records. (unchanged)

Reference: Sections 6365 and 6366.3, Revenue and Taxation Code.